Prime Value
Equity Income (Imputation) Fund – March 2023

- Market uncertainty quelled by swift regulator response to banking troubles
- The ASX300 Accumulation Index recovered 3.2%, off monthly lows, to end March down 0.2%.
- The Fund distributed 2 cents per unit and returned 3.1% for the March Quarter including franking credits

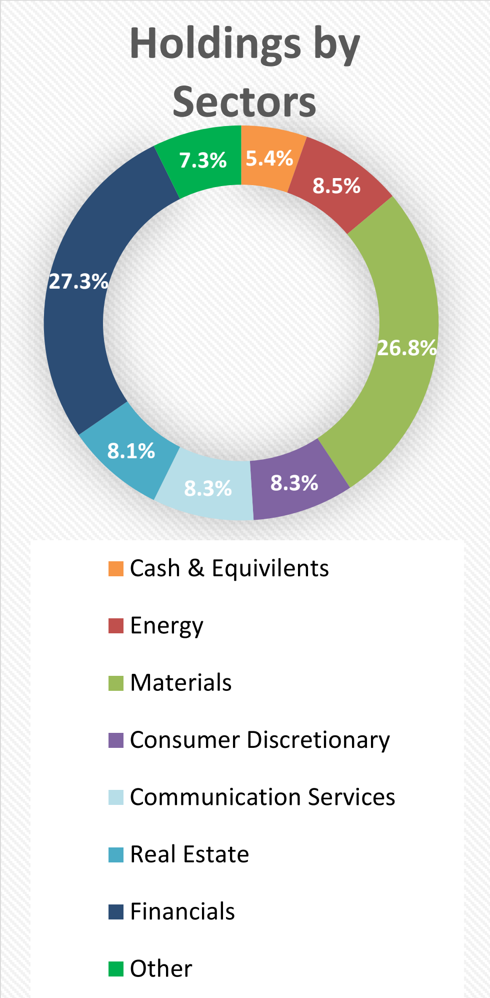
	Total Return*	Growth Return*	Distribution Return*	Total Return including Franking Credits**	S&P/ASX 300 Accumulation Index
Since inception (p.a.)	9.7%	4.6%	5.1%	11.8%	8.1%
20 Years (p.a.)	8.6%	4.2%	4.4%	10.7%	9.2%
10 Years (p.a.)	5.8%	1.3%	4.5%	8.0%	8.1%
5 Years (p.a.)	6.6%	1.5%	5.2%	9.1%	8.6%
3 Years (p.a.)	18.9%	13.3%	5.6%	21.6%	16.6%
1 Year	-1.0%	-6.7%	5.6%	1.3%	-0.6%
3 Months	2.7%	1.9%	0.8%	3.1%	3.3%
1 Month	-0.8%	-1.6%	0.8%	-0.5%	-0.2%

* Fund returns are calculated net of management fees, assuming all distributions are re-invested. Performance figures have been calculated in accordance with the Financial Services Council (FSC) standards. The returns are calculated before performance fees which are charged against individual accounts. The returns exclude the benefits of imputation credits. Past performance is not necessarily an indicator of future performance.
** Returns grossed up for franking credits are estimates.

Top five holdings	Sector
BHP Group	Materials
Macquarie Group	Financials
Commonwealth Bank	Financial
Wesfarmers	Consumer Discretionary
National Australia Bank	Financials

The top five holdings make up approximately 34.3% of the portfolio.

Feature	Fund facts
Portfolio Manager	Leanne Pan
Investment objective	To provide regular tax-effective income, combined with competitive capital growth over the medium to long-term, by managing a portfolio of assets comprised mainly of Australian equities listed on any recognised Australian stock exchange.
Benchmark	S&P / ASX 300 Accumulation Index
Inception Date	20 December 2001
Cash	0 - 30%
Distributions	Quarterly
Suggested Investment Period	3 + years



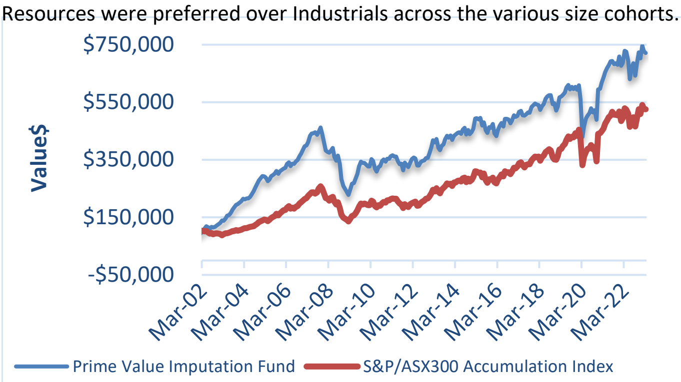
Market review

March was largely characterised by uncertainty caused by the US banking crisis, however, the strong response by regulators has seen volatility reduce and the focus shift back to the battle between Central Banks and inflation.

Equities recovered in March, with Developed Markets outperforming Emerging Markets. The MSCI Developed Markets Index rose (+2.6%) over March, and the S&P 500 Index also gained momentum (+3.7%) in local currency terms in a recovery-based month for markets.
The Australian 10-year bond yields moved in reaction to slowing inflation, rallying 56bps to 3.30%. US yields also rallied 42bps to 3.49%, amid banking volatility.

Commodity prices saw mixed trends. Brent Oil fell by US$4.12 to US$79.77/bbl, with recovery supported by production shut-ins in Kurdistan, and API data showing US crude inventory draws. Iron Ore prices remain unchanged at US$126/Mt on destocking in line with historical demand seasonality. Gold prices rose by US$155.10 to US$1,980, with banking volatility and hopes for easing Fed policy.

The ASX300 Accumulation Index rallied +3.2% off monthly lows, to close down 0.2% putting a stop to seven consecutive weekly declines and is up 3.3% year to date. Materials and Communication Services added the most value in March, whilst performance was lost through Financials, with banks a large contributor to that underperformance.
We observed a heightened level of market volatility in March, with no fewer than six ±1% daily price moves, mostly on the downside. As result, stock return skew was to the downside. Large > Small > Mid-Caps in March, whilst Resources were preferred over Industrials across the various size cohorts.



This graph shows how $100,000 invested at the Fund's inception has increased to $721,200 (net of fees excluding performance fees). This compares very favourably with the return of the market, where a $100,000 investment would have increased to $525,600 over the same period. The returns exclude the benefits of imputation credits.

Performance figures have been calculated in accordance with the Financial Services Council (FSC) standards. No allowance has been made for taxation. Performance assumes the reinvestment of income distributions. Past performance is not necessarily an indicator of future performance.

	Direct Investment (Class A)	Platform Investment (Class B)
APIR code	PVA0002AU	PVA0022AU
Minimum Investment	$20,000	N/A
Issue price	$ 2.6064	$ 2.6074
Withdrawal price	$ 2.5866	$ 2.5876
Distribution (31/03/2023)	$ 0.0200	$ 0.0212
Indirect Cost Ratio (ICR)*	1.435% p.a.	1.23% p.a.
Performance fee**	20.5%	20.5%

* Unless otherwise stated, all fees quoted are inclusive of GST and the relevant RITC
** of performance (net of management fees and administration costs) above the agreed benchmark, subject to positive performance and a high water mark

Fund review & strategy

The Fund returned -0.8% for the month of March, underperformed its benchmark. It was a very eventful month with the market largely driven by the turmoil in international banking sector. Contributors for the month were BHP (+7.5%, reversing a weak performance previous month), Newcrest (NCM +19.1% strong gold price in times of high volatility) and Wesfarmers (WES +4.2%). Unsurprisingly, the financial sector (banks, REITs, diversified financials) as a whole did not do well. Main detractors were the banks – Macquarie Group (MQG -7.3%), NAB (-7.6%) and ANZ (-7.0%). Banks are global businesses. Arguably the Australia banks are in a better position due to stringent regulation requirements but we need to continue monitoring liquidity and asset quality. The failure of a number of US banks caused concerns for weaker credit growth and potential US recession. It would seem that the Fed is watching the situation and will act when required. This has partly calmed the market. It is not an easy time for government or regulators; a balancing act amid concerns for inflation, regulation, financial stability, contagion effect and growth.

Macquarie Group conducted their first US tour during the month (timing not so great). US accounts for almost 50% of their business and they focus on niche areas where the margins are more attractive. Whilst aiming to meet "client solution", no doubt management needs to balance the risk/reward equation all the time. Share price performance of this name can be largely affected by external environment, investor risk appetite and so forth.

After the RBA cash rate moved from almost 0% to 3.6% in a year, the RBA cash rate futures have moved lower, implying that we might be close to the end of the hiking cycle. While markets remain volatile, this provides a better support for equity valuation. We continue to hold a balanced portfolio aiming for good income plus growth overtime.

Top Contributors (Absolute)	Sector
BHP	Materials
Newcrest	Materials
Wesfarmers	Consumer Discretionary

Top Detractors (Absolute)	Sector
Macquarie Group	Financials
NAB	Financials
ANZ	Financials

Platforms
Ausmaq, Beacon, BT Wrap, First Wrap, Hub24, Netwealth, Symetry, Wealthtrac

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